THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The information is being collected and will be laid on the Table of the House to the extent available.

Counterfeiting of Indian currency notes

1608. SHRI R.K. ANAND: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that outdated technology at Nasik Press has made counterfeiting in Indian currency easy;

(b) whether it is also a fact that the fake currency market is estimated between Rs. 10000 and Rs. 20000 crores;

(c) if so, the details thereof; and

(d) whether it is a fact that US secret Service will be helping India combat fake currency menaces?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) It is difficult to provide estimates on circulation of fake currency in the country. However, as per information funished by RBI, the value of the counterfeited notes detected at RBI issue offices and bank branches was of the value of Rs. 2.44 crores during the period from April, 2004 to March, 2005. The quantity of fake Indian currency notes is miniscule as compared to total value of notes in circulation.

(d) United States of America and India have decided to have bilateral co-operation between the two countries of combat the menance of counterfeiting of currency notes.

Revision of rates of tax by States under VAT

1609. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some States have revised rates of tax under VAT;

(b) if so, the details thereof;

(c) the names of the States which have revised the rates; and

(d) whether the decision had the approval of the Central Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) VAT is a State subject under Entry 54 of the State List of the Constitution of India. The design of VAT, including the rates of tax, has been finalized by the States collectively, through the deliberations in the Empowered Committee of State Finance Ministers (EC). As per the information received from the States/UTS, NCT of Delhi, Himachal Pradesh, Haryana, Punjab, Orissa, Maharashtra, Goa and Meghalaya have deviated from the rates finalised by the EC in respect of certain commodities.

(d) VAT being a State subject, the States have the legislative competence to fix or revise the rates of tax under VAT. However, as per the formula for compensation to be given to the States for any revenue loss on account of introduction of VAT, the Central Government shall provide compensation only on the basis of the VAT rates approved at the time of finalization of the compensation package, *i.e.* 27 January 2005, with a few exceptions which have been specifically agreed to.

Difficulties of farmers in getting loans

†1610. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the farmers in the country have to face many difficulties in taking loan from the banks;

(b) whether Government propose to issue any guidelines to provide loan to the farmers in time;

(c) if so, the details thereof;

(d) whether Government propose to make such arrangements so that the farmers may get loans within ten days from the date of submission of their applications;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

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†Original notice of the question was received in Hindi.